

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1941 – SB 2515

April 16, 2018

SUMMARY OF ORIGINAL BILL: Requires the facilities manager for the legislative complex to ensure the official flag of the General Assembly is flown outside the Cordell Hull Building.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (017341): Deletes all language after the enacting clause. Requires each member of the General Assembly to be paid an expense allowance: (1) equal to the allowance granted federal employees for meals and incidentals in the Nashville area; and (2) equal to the annual average hotel rate for the previous calendar year in the Nashville central business district (CBD), as provided by the Nashville Convention and Visitors Corporation (NCVC) or their successor organization. Requires the allowance granted federal employees for lodging expenses in the Nashville area if the annual average hotel rate is unobtainable.

Requires members whose principal residence is 50 miles from the capitol or less who are unable to return home at the conclusion of any such day, and with the express approval of the speaker of such member's house, to be reimbursed an expense allowance for lodging equal to the annual average hotel rate for the previous calendar year in the Nashville CBD, as provided by the NCVC or their successor organization. Requires the allowance granted federal employees for lodging expenses in the Nashville area if the annual average hotel rate is unobtainable.

Establishes the effective date of November 6, 2018.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures – \$151,900/FY18-19
\$396,300/FY19-20 and Subsequent Years**

Assumptions for the bill as amended:

- Members of the General Assembly are currently paid a per diem of \$170 for lodging and \$59 for meals and incidentals. Members whose principal residence is 50 miles or less

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from the capitol are only paid for meals and incidentals, unless such members are unable to return home and receive express approval of the speaker of the member's house for lodging reimbursement.

- The current allowance for meals and incidentals is equal to the allowance granted federal employees and will not be significantly impacted by this legislation.
- FRC staff does not have the 2017 average hotel rate in the Nashville CBD, as provided by the NCVC. However, based on the staff's independent research, such rate is estimated to be \$219 per night and is assumed to remain constant in subsequent years.
- Based on information provided by the Office of Legislative Administration, 96 members of the General Assembly receive reimbursement for lodging expenses.
- The total number of lodging stays paid for all members during legislative session in 2017 was 5,856 nights (96 members x 61 legislative days).
- The total number of lodging stays paid for all members out of session in 2017 was 2,232 nights.
- The total current expenditures for lodging during session is equal to \$995,520 (\$170 x 5,856 nights) and for lodging out of session is equal to \$379,440 (\$170 x 2,232), for a total of \$1,374,960 (\$995,520 + \$379,440). These numbers are assumed to remain constant into perpetuity under current law.
- Passage of this legislation will increase total expenditures for lodging to \$1,282,464 during session (\$219 x 5,856 nights) and to \$488,808 out of session (\$219 x 2,232), for a total of \$1,771,272 (\$1,282,464 + \$488,808).
- The resulting recurring increase in state expenditures is estimated to be \$396,312 (\$1,771,272 - \$1,374,960) in FY19-20 and subsequent years.
- Due to the effective date of November 6, 2018, the total increase in state expenditures for FY18-19 is estimated to be \$151,908 {[\$1,282,464 + (\$488,808 / 8 interim months x 4 interim months)] - \$1,374,960}.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee" followed by the letters "RNC" in a smaller, less legible script.

Krista M. Lee, Executive Director

/vlh